

SCGM BHD - GROUP
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31ST OCTOBER 2015

	2015 QTR ENDED 31ST OCT RM'000 UNAUDITED	2014 QTR ENDED 31ST OCT RM'000 UNAUDITED	2015 YEAR TO DATE RM'000 UNAUDITED	2014 YEAR TO DATE RM'000 UNAUDITED
REVENUE	34,118	26,124	63,755	53,400
OPERATING EXPENSES	-29,254	-22,096	-53,152	-44,855
OTHER OPERATING INCOME	1,161	99	1,428	219
PROFIT FROM OPERATIONS	<u>6,025</u>	<u>4,127</u>	<u>12,031</u>	<u>8,764</u>
FINANCE COSTS	-182	-38	-252	-82
INVESTING RESULTS	-	-	-	-
PROFIT BEFORE TAX	<u>5,843</u>	<u>4,089</u>	<u>11,779</u>	<u>8,682</u>
TAXATION	-1,050	-1,050	-2,100	-2,100
PROFIT FOR THE PERIOD	<u><u>4,793</u></u>	<u><u>3,039</u></u>	<u><u>9,679</u></u>	<u><u>6,582</u></u>
OTHER COMPREHENSIVE INCOME	0	0	0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>4,793</u></u>	<u><u>3,039</u></u>	<u><u>9,679</u></u>	<u><u>6,582</u></u>
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENT	<u><u>4,793</u></u>	<u><u>3,039</u></u>	<u><u>9,679</u></u>	<u><u>6,582</u></u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENT	<u><u>4,793</u></u>	<u><u>3,039</u></u>	<u><u>9,679</u></u>	<u><u>6,582</u></u>
Earnings Per Share ("EPS")				
BASIC (SEN)	3.99	3.80	8.07	8.23
DILUTED (SEN)	N/A	N/A	N/A	N/A

Notes:

The above should be read in conjunction with the Annual Report of the Company for the financial year ended 30 April 2015 and the accompanying notes attached to this interim financial report.

SCGM BHD - GROUP
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST OCTOBER 2015

	As at 31st October 2015 (Unaudited) RM'000	As at 30th April 2015 (Audited) RM'000
Non-current assets		
Property, Plant and Equipment	44,390	43,137
Prepaid land lease payments	168	169
	44,558	43,306
Current assets		
Inventories	18,578	14,831
Trade Receivables	32,012	25,159
Other Receivables	2,538	1,332
Fixed deposit with licensed banks	125	694
Cash and bank balances	6,207	5,309
	59,460	47,325
Total Assets	104,018	90,631
Equity & Liabilities		
Equity attributable to owners of the parent		
Share Capital	60,000	40,000
Share Premium	2,300	3,937
Reverse Acquisition Reserve	(28,227)	(28,227)
Retained Profit	42,050	57,934
Total Equity	76,123	73,644
Non-current liabilities		
Deferred Taxation	2,527	2,527
Finance Lease Creditors	4,914	2,328
	7,441	4,855
Current liabilities		
Trade Payables	6,882	4,495
Sundry Creditors	5,289	5,117
Finance Lease Creditors	2,510	1,545
Borrowings	4,898	-
Tax Payable	875	975
	20,454	12,132
Total Liabilities	27,895	16,987
Total Equity and Liabilities	104,018	90,631
Net Assets Per Share (Sen)	63	92

Note:

The above should be read in conjunction with the Annual Report of the Company for the financial year ended 30 April 2015 and the accompanying notes attached to this interim financial report.

SCGM BHD - GROUP
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31ST OCTOBER 2015

	2015 Current YTD 31st Oct Unaudited RM'000	2015 Preceding YTD 30th Apr Audited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	11,779	20,607
<i>Adjustments for :</i>		
Allowance for doubtful debts	-	4
Allowance for doubtful debts no longer required	-	(217)
Amortisation of prepaid land lease payments	1	2
Depreciation	2,937	4,922
Interest expenses	252	139
Interest income	(9)	(127)
Inventories written down	-	(15)
Gain on disposal of PPE	(10)	-
Unrealised gain on foreign exchange	-	(812)
	14,950	24,503
Net movement in working capital:		
Inventories	(3,747)	(2,560)
Receivables	(8,059)	(1,845)
Payables	2,559	5,047
CASH FLOWS GENERATED FROM OPERATIONS	5,703	25,145
Income tax paid	(2,200)	(5,393)
Net cash flow from operating activities	3,503	19,752
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of PPE	10	-
Interest received	9	127
Purchase of property, plant and equipment	(4,190)	(13,266)
Net cash flow used in investing activities	(4,171)	(13,139)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Dividend paid	(7,200)	(15,200)
Interest paid	(252)	(139)
Proceeds from borrowings	6,298	-
Proceeds from finance lease creditors	4,758	-
Repayment of finance lease creditors	(1,207)	(1,831)
Repayment of borrowings	(1,400)	(165)
Net cash flow from financing activities	997	(17,335)
Net movement in cash and cash equivalents	329	(10,722)
Exchange translation differences	-	889
Cash and cash equivalents at beginning of financ	6,003	15,836
Cash and cash equivalents at end of financial per	6,332	6,003
Comprising of:		
Cash and bank balances	6,207	5,309
Fixed deposits with licensed bank	125	694
	6,332	6,003

Note:

The above should be read in conjunction with the Annual Report of the Company for the financial year ended 30 April 2015 and the accompanying notes attached to this interim financial report.

SCGM BHD - GROUP
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31ST OCTOBER 2015

<-----Attributable to owners of the parent----->

	SHARE CAPITAL	NON-DISTRIBUTABLE		DISTRIBUTABLE RETAINED PROFIT	TOTAL
		SHARE PREMIUM	REVERSE ACQ. RESERVES		
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 May 2015	40,000	3,937	(28,227)	57,934	73,644
Bonus Issue	20,000	(1,637)	-	(18,363)	-
Profit for the period	-	-	-	9,679	9,679
Dividends	-	-	-	(7,200)	(7,200)
Balance as at 31 October 2015	60,000	2,300	(28,227)	42,050	76,123

FOR THE PERIOD ENDED 31ST OCTOBER 2014

<-----Attributable to owners of the parent----->

	SHARE CAPITAL	NON-DISTRIBUTABLE		DISTRIBUTABLE RETAINED PROFIT	TOTAL
		SHARE PREMIUM	REVERSE ACQ. RESERVES		
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 May 2014	40,000	3,937	(28,227)	57,677	73,387
Profit for the period	-	-	-	6,582	6,582
Dividends	-	-	-	(9,600)	(9,600)
Balance as at 31 October 2014	40,000	3,937	(28,227)	54,659	70,369

Note:

The above should be read in conjunction with the Annual Report of the Company for the financial year ended 30 April 2015 and the accompanying notes attached to this interim financial report.

Part A - Explanatory Notes Pursuant to MFRS 134

1 Basis of Preparation

The unaudited interim financial statements have been prepared in accordance with the reporting requirements outlined in the Malaysian Financial Reporting Standard ("MFRS") No.134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial statements are consistent with those adopted in the audited financial statements for the year ended 30 April 2015. In the previous years, the financial statements of the Group and the Company were prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 April 2015 and the accompanying explanatory notes attached to this interim financial report.

MFRSs, and Amendments to MFRSs Issued but Not Effective

At the date of issuance of this quarterly report, the MFRSs, and amendments to MFRSs which were in issue but not yet effective are as listed below:

MFRSs	Effective for annual periods beginning on or after
MFRS 9 Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014)	1 January 2018
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11 Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to MFRS 101 Disclosure Initiative	1 January 2016
Amendments to MFRS 116 & MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 & MFRS 141 Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127 Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012 – 2014 Cycle"	1 January 2016

2 Auditors' Reports – Year ended 30 April 2015

There was no qualification in the audited financial statements for the financial year ended 30 April 2015.

3 Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by seasonal or cyclical factors during the current quarter under review.

4 Unusual Significant Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter and current financial year-to-date.

5 Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial years that have a material effect in the current quarter and year-to-date results.

6 Changes in Debt and Equity Securities

There have been no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, shares held as treasury shares and resale of treasury shares for current quarter and financial year-to-date except for the following:-

Bonus Issue

RHB Investment Bank Berhad announced that Bursa Securities had approved a bonus issue of 40,000,000 new ordinary shares of RM0.50 each in SCGM ("SCGM Share(s)") ("Bonus Share(s)") to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing SCGM Shares. The Bonus Shares had been listed and quoted on the Main Market of Bursa Malaysia Securities with effect from September 4, 2015.

7 Dividend Paid

The amount of dividends paid and declared since the end of the last financial year were as follows

First interim tax exempt dividend of 5 sen per ordinary share and paid on 15 July 2015 amounting to RM4.0 million.

A final single tier dividend, in respect of the financial year ended 30 April 2015, of 4 sen per ordinary share paid on 18 September 2015 amounting to RM3.2 million.

8 Segmental Reporting

Detailed segmental reporting is not provided as the the Group's primary business segments is principally engaged in the manufacturing and trading of plastic and its operation is principally located in Malaysia.

For the financial period-to-date, export sales amounted to RM29.867 million and local sales amounted to RM33.888 million.

9 Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

10 Material Subsequent Events

There were no material events subsequent to the end of the current quarter except for the Proposed Private Placement (for details – refer to Part B – 14 Corporate Proposal).

SCGM Bhd (Company no: 779028-H)
Notes To The Interim Report
For The Financial Quarter Ended 31 October 2015
(Unaudited)

11 Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter and financial year-to-date.

12 Contingent Liabilities

There were no material contingent liabilities to be disclosed as at the date of this report.

13 Capital Commitments

As at October 31, 2015, the Group has the capital expenditure in respect of property, plant and equipment of which approved and contracted for amounting to RM0.5 million.

14 Cash and Cash Equivalents

	As at 31/10/2015
	RM'000
Cash & bank balances	6,207
Fixed deposits with licensed bank	125
	<u>6,332</u>
	<u><u>6,332</u></u>

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA
 SECURITIES BERHAD'S LISTING REQUIREMENTS**

1 Review of performance

For the current quarter performance, the Group recorded a Sales Turnover of RM34.118 million which was 30.6% higher than the preceding year's corresponding quarter Sales Turnover of RM26.124 million. The Profit before Tax of RM5.843 million was 42.9% higher than the RM4.089 million recorded in the preceding year's corresponding quarter. The sale of new products, plastic trays and plastic cups have contributed to this quarter sales performance. The Profit before Tax for the current quarter was very commendable compared to previous year's performance due to Input cost such as fuel cost which impacts on margins had trended downwards in the current quarter of the financial year compared to the preceding quarter as world commodity prices trended downwards. Foreign exchange gains as a result of a stronger U.S. dollar had an impact on export sales.

2 Variation of Results Against Preceding Quarter

The current quarter Group's profit before tax of RM5.843 million was 0.01% lower than the profit before tax of RM5.936 million recorded in the preceding quarter which was considered commendable. Input cost such as fuel cost which impacts on margins was fairly stable in the current quarter of the financial year compared to the preceding quarter. Some additional costs which impacted on the profit included cost for the corporate exercise of bonus issue, maintenance costs to existing machinery for repairs and modifications and lower selling price to promote the new products in the initial stages.

The current quarter Sales Turnover of RM34.118 million as compared to the preceding quarter ended 31 July 2015 Sales Turnover of RM29.637 million was higher by 15.1%. The sale of new products, plastic trays and plastic cups have contributed to this quarter sales performance.

3 Prospects

The Board of Directors is of opinion that for the financial year ending 30 April 2016, the financial results will be stable over the next 2 quarters. The Board is confident that the sales turnover for the new financial year will be stabilized albeit a challenging times ahead. The Board believes, albeit those challenging times ahead, it firmly believe its new product i.e. Plastic Disposable Cups will increase the Group sales. The present utilization is around 50% and the Board expects the utilization will be further improved.

Going forward, the Board believes in introducing new products mix to cater for the Food and Beverage sector which will continue to contribute to the Group profit and in addition to the aggressive marketing effort by the marketing team will also further increase the sales for the Group.

4 Variance of Profit Forecast/Profit Guarantee

There was no profit forecast or profit guarantee given in respect of the current period.

5 Taxation

	Current Quarter Ended 31/10/2015 RM'000	Current YTD Ended 31/10/2015 RM'000
Current Tax Expense	1,050	2,100

6 Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and financial year-to-date.

7 Borrowings and Debt Securities

The Group's Borrowings as at 31 October 2015 are as follows:-

	Current RM'000	Non-Current RM'000	Total RM'000
Unsecured			
Bankers' Acceptance	1,398	-	1,398
Revolving Credit	3,500	-	3,500
Secured			
Hire purchase creditors	2,510	4,914	7,424
	7,408	4,914	12,322

8 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

9 Material Litigation

As at the date of this announcement, there are no material litigations against the Group or taken by the Group.

10 Dividend Proposed

The Board declared a second interim single tier dividend of 3.0 sen per ordinary share for the financial year ending 30 April 2016 and to be paid on 13 January 2016.

11 Earnings Per Share

Basic Earnings Per Share	Current QTR Ended 31/10/15	Preceding QTR Ended 31/10/14	Cumulative YTD Ended 31/10/15	Preceding YTD Ended 31/10/14
Profit attributable to equity holders of the parent (RM'000)	4,793	3,039	9,679	6,582
Weighted average number of ordinary shares in issue ('000)	120,000	80,000	120,000	80,000
Basic earnings per share (sen)	3.99	3.80	8.07	8.23

12 Realised and Unrealised Retained Earnings

	Unaudited As at 31 Oct 2015 RM'000	Audited As at 30 April 2015 RM'000
Total retained profits of the Company and its subsidiary		
- Realised profit/(loss)	42,050	71,149
- Unrealised profit/(loss)	-	(1,715)
	<u>42,05</u>	<u>69,434</u>
Consolidation adjustments	-	(11,500)
Retained profits	<u>42,050</u>	<u>57,934</u>

13 Profit before tax

Profit before tax is arrived at after charging/(crediting) the following items:-

	Current QTR ended 31.10.2015 RM'000	Cumulative YTD ended 31.10.2015 RM'000
(a) Interest income	(3)	(9)
(b) Foreign exchange (gain)/loss - net	(861)	(1,035)
(c) Interest expense	182	252
(d) Depreciation and amortization	1,475	2,937

14 Corporate Proposal

On 12 November 2015, Kenanga Investment Bank Berhad (“**Kenanga IB**”) announced that the Company proposed to undertake the Proposed Private Placement under Section 132D of the Companies Act, 1965.

On 19 November 2015, Kenanga IB announced that the listing application in respect of the Proposed Private Placement has been submitted on 19 November 2015 to Bursa Malaysia Securities Berhad.

Kenanga IB announced that Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has, vide its letter dated 20 November 2015, approved the listing and quotation of up to 12,000,000 new ordinary shares of RM0.50 each (“**Placement Shares**”) to be issued pursuant to the Proposed Private Placement subject to the following conditions:

1. SCGM and Kenanga IB must fully comply with the relevant provisions under the Main Market Listing Requirements (“**LR**”) pertaining to the implementation of the Proposed Private Placement;
2. SCGM and Kenanga IB to inform Bursa Securities upon the completion of the Proposed Private Placement;
3. SCGM to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and
4. Kenanga IB must submit to Bursa Securities details of the placees in accordance with Paragraph 6.15 of the LR as soon as practicable before the listing of the new shares to be issued pursuant to the Proposed Private Placement.

SCGM Bhd (Company no: 779028-H)
Notes To The Interim Report
For The Financial Quarter Ended 31 October 2015
(Unaudited)

Kenanga IB announced that the Company has fixed the issue price of 10,000,000 Placement Shares, being the first (1st) tranche of the Proposed Private Placement at RM2.61 per Placement Share.

The issue price of the Placement Shares of RM2.61 represents a discount of approximately 7.05% to the five (5)-day volume weighted average market price of SCGM Shares up to and including 20 November 2015 of RM2.8079 per SCGM Share.